

the Bank relied upon in making its determination regarding certification, including copies of statutes and regulations, and the decision resolution.

(4) *Appeals.* Within 90 calendar days of the date of a Bank's decision to deny an application for certification as a nonmember mortgagee, the applicant may submit a written appeal to the Board that includes the Bank's decision resolution and a statement of the basis for the appeal with sufficient facts, information, analysis, and explanation to support the applicant's position. Appeals shall be sent to the Federal Housing Finance Board, 1777 F Street, N.W., Washington D.C. 20006, with a copy to the Bank.

(i) *Record for appeal.* Upon receiving a copy of an appeal, the Bank whose action has been appealed shall provide to the Board a complete copy of the applicant's certification file maintained by the Bank under paragraph (c)(3) of this section. Until the Board resolves the appeal, the Bank shall promptly provide to the Board any relevant new materials it receives. The Board may request additional information or further supporting arguments from the applicant, the Bank, or any other party that the Board deems appropriate.

(ii) *Deciding appeals.* Within 90 calendar days of the date an applicant files an appeal with the Board, the Board shall consider the record for appeal described in paragraph (c)(4)(i) of this section and resolve the appeal based on the requirements of the Act and this subpart.

(The Office of Management and Budget approved the information collection requirements contained in this section and assigned control number 3069-0005 with an expiration date of November 30, 1999)

**§ 935.24 Advances to nonmember mortgagees.**

(a) *Authority.* Subject to the provisions of the Act and this subpart, a Bank may make advances only to a nonmember mortgagee whose principal place of business, as determined in accordance with part 933 of this chapter, is located in the Bank's district.

(b) *Collateral requirements—(1) Advances to nonmember mortgagees.* A Bank may make an advance to any nonmem-

ber mortgagee upon the security of the following collateral:

(i) Mortgage loans insured by the Federal Housing Administration of HUD under title II of the National Housing Act; or

(ii) Securities representing a whole interest in the principal and interest payments due on a pool of mortgage loans insured by the Federal Housing Administration of HUD under title II of the National Housing Act. A Bank may only accept as collateral the securities described in this paragraph (b)(1)(ii) if the nonmember mortgagee provides evidence that such securities are backed solely by mortgages of the type described in paragraph (b)(1)(i) of this section.

(2) *Certain advances to SHFAs.* (i) In addition to the collateral described in paragraph (b)(1) of this section, a Bank may make an advance to a nonmember mortgagee that has satisfied the requirements of § 935.22(d) for the purpose of facilitating residential or commercial mortgage lending that benefits individuals or families meeting the income requirements in section 142(d) or 143(f) of the Internal Revenue Code (26 U.S.C. 142(d) or 143(f)) upon the security of the following collateral:

(A) The collateral described in § 935.9(a) (1) or (2).

(B) The collateral described in § 935.9(a)(3). Solely for the purpose of facilitating acceptance of such collateral, a Bank may establish a cash collateral account for a nonmember mortgagee that has satisfied the requirements of § 935.22(d).

(C) The real estate related collateral described in § 935.9(a)(4), provided that such collateral is comprised of mortgage loans on one-to-four family or multifamily residential property and the acceptance of such collateral will not increase the total amount of advances outstanding to the SHFA secured by such collateral beyond 30 percent of its GAAP capital, as computed by the Bank.

(ii) Prior to making an advance pursuant to this paragraph (b)(2), a Bank shall obtain a written certification from the nonmember mortgagee that it shall use the proceeds of the advance for the purposes described in paragraph (b)(2)(i) of this section.

(c) *Terms and conditions*—(1) *General*. Subject to the provisions of this paragraph (c), a Bank, in its discretion, shall determine whether, and on what terms, it will make advances to a nonmember mortgagee.

(2) *Advance pricing*. (i) A Bank shall price advances to nonmember mortgagees in accordance with the requirements for pricing advances to members set forth in §935.6(b). Wherever the term “member” appears in §935.6(b), the term shall be construed also to mean “nonmember mortgagee.”

(ii) A Bank shall apply the pricing criteria identified in §936.5(b)(2) equally to all of its member and nonmember mortgagee borrowers.

(3) *Limit on advances*. The principal amount of any advance made to a nonmember mortgagee may not exceed 90 percent of the unpaid principal of the mortgage loans or securities pledged as security for the advance. This limit does not apply to an advance made to a nonmember mortgagee under paragraph (b)(2) of this section.

(d) *Transaction accounts*. Solely for the purpose of facilitating the making of advances to a nonmember mortgagee, a Bank may establish a transaction account for each nonmember mortgagee.

(e) *Loss of eligibility*—(1) *Notification of status changes*. A Bank shall require a nonmember mortgagee that applies for an advance to agree in writing that it will promptly inform the Bank of any change in its status as a nonmember mortgagee.

(2) *Verification of eligibility*. A Bank may, from time to time, require a nonmember mortgagee to provide evidence that it continues to satisfy all of the eligibility requirements of the Act and this subpart.

(3) *Loss of eligibility*. A Bank shall not extend a new advance or renew an existing advance to a nonmember mortgagee that no longer meets the eligibility requirements of the Act and this subpart until the entity has provided evidence satisfactory to the Bank that it is in compliance with such requirements.

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## PART 936—COMMUNITY SUPPORT REQUIREMENTS

Sec.

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AUTHORITY: 12 U.S.C. 1422a(a)(3)(B), 1422b(a)(1), 1429, and 1430.

SOURCE: 62 FR 28988, May 29, 1997, unless otherwise noted.

### §936.1 Definitions.

For purposes of this part:

(a) *Act* means the Federal Home Loan Bank Act, as amended (12 U.S.C. 1421, *et seq.*).

(b) *Advance* has the same meaning as in §935.1 of this chapter.

(c) *Advisory Council* means the Advisory Council each Bank is required to establish pursuant to section 10(j)(11) of the Act and part 960 of this chapter.

(d) *Affordable Housing Program* or *AHP* means the program each Bank is required to establish pursuant to section 10(j) of the Act and part 960 of this chapter.

(e) *Appropriate federal financial supervisory agency* means the Office of the Comptroller of the Currency for national banks; the Board of Governors of the Federal Reserve System for state chartered banks that are members of the Federal Reserve System and bank holding companies; the Federal Deposit Insurance Corporation for state chartered banks and savings banks that are not members of the Federal Reserve System and the deposits of which are insured by the Federal Deposit Insurance Corporation; and the Office of Thrift Supervision for savings associations the deposits of which are insured by the Federal Deposit Insurance Corporation and savings and loan holding companies.

(f) *Bank* or *Banks* means a Federal Home Loan Bank or the Federal Home Loan Banks.